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Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
26th Floor, Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Enersource Hydro Mississauga Inc., Horizon Utilities Corporation and PowerStream Inc. –
Notice of Proposal under Sections 80 and 81 of the *Ontario Energy Board Act, 1998***

Introduction:

We are counsel to Enersource Hydro Mississauga Inc. (“**Enersource**”), Horizon Utilities Corporation (“**Horizon Utilities**”) and PowerStream Inc. (“**PowerStream**”) (collectively, the “**Proponents**”) and their respective shareholders in the above-captioned matter.

On April 15, 2016, the Proponents filed an application (the “**Application**”) with the Ontario Energy Board (the “**OEB**” or the “**Board**”) for the relief necessary to effect the consolidation of Enersource, Horizon Utilities, PowerStream and Hydro One Brampton Networks Inc. (“**HOBNI**”) into a single local electricity distribution company (referred to in the Application as “**LDC Co**”) that will continue to provide reliable electricity distribution service to over 960,000 customers in the Greater Golden Horseshoe area. The Application was assigned OEB File No. EB-2016-0025. In broad terms, the Application was made for the purpose of achieving the following outcomes:

- The amalgamation of Enersource, Horizon Utilities and PowerStream; and
- The acquisition of the shares of HOBNI and its amalgamation with LDC Co.

The consolidation will involve the acquisition by distributors and their affiliates of interests in generation facilities, and by generators and their affiliates of interests in a distribution system. Sections 80 and 81 of the *Ontario Energy Board Act, 1998* (the “**OEB Act**”) require that the Proponents give the OEB notice of their proposals to do so. Accordingly, please find accompanying this letter two paper copies of the Proponents’ Notice of Proposal (the “**Notice**”) under sections 80 and 81 of the OEB Act in the Board’s prescribed form.

Confidentiality:

The Proponents are filing certain information in confidence in this matter, pursuant to the OEB's *Rules of Practice and Procedure* (the "**Rules**") and its *Practice Direction on Confidential Filings* (the "**Practice Direction**"). The redactions are minimal; they are based on the applicable provisions of the Rules and the Practice Direction; they are contemplated by the *Freedom of Information and Protection of Privacy Act*; and they are, in the Proponents' submission, reasonable. The redactions may be found in the following sections of the Notice:

- 1.3.3 – Attach a breakdown of the annual sales (in C\$, and in MWh) as of the most recent fiscal year end of the existing generation output among the IESO Administered Markets ("IAM"), bilateral contracts, and local distribution companies.
- 1.4.1 – Describe the generation capacity (in MW), within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to the completion of the proposed transaction or project.
- 1.4.2 – Describe the generation market share based on actual MWh production as a percent of the Annual Primary Demand, within the Province of Ontario, of the parties to the proposed transaction or project, including each of their respective Electricity Sector Affiliates, prior to completion of the proposed transaction or project.
- 2.1.2 – Provide a description of the generation including fuel source, technology used, maximum capacity output, typical number of hours of operation in a year, and peaking versus base-load character.

The redacted information identifies the generation capacity owned by certain of the Proponents and/or their affiliates and/or other members of their corporate families, as well as the historical and forecasted output and revenues of those entities. That information is commercially sensitive, and its public disclosure, which will necessarily result in the disclosure of the scope of the competitive generation activities of the Proponents and/or their affiliates and/or other members of their corporate families, may reasonably be expected to prejudice their competitive positions and result in undue loss to them.

No Adverse Effect on the Development and Maintenance of a Competitive Market:

While the Proponents have requested that certain competitive information remain confidential, the Proponents can publicly confirm that the total generation capacity that is the subject of the Notice amounts is significantly less than 1% of the total Ontario Annual Primary Demand, which in 2015 was 137 TWh (Source: IESO Demand Overview, available at: <http://www.ieso.ca/Pages/Power-Data/Demand.aspx> - see the Total Annual Ontario Energy Demand table on that page.). The Proponents respectfully submit that the impact of the proposal would not adversely affect the development and maintenance of a competitive market, and that a review of the proposal is not necessary.

Contact Information:

We ask that all correspondence in this matter be directed to the Proponents and their representatives as follows:

<p>Enersource Hydro Mississauga Inc. 2185 Derry Road West Mississauga, ON L5N 7A6</p> <p>Gia M. DeJulio, P.Eng., LLM Director, Regulatory Affairs</p> <p>Tel.: (905) 283-4098 Fax: (905) 566-2737 gdejulio@enersource.com</p>	<p>Horizon Utilities Corporation 55 John Street North Hamilton, ON L8R 3M8</p> <p>Indy J. Butany-DeSouza, MBA Vice President, Regulatory Affairs</p> <p>Tel.: (905) 317-4765 Fax: (905) 522-0119 indy.butany@horizonutilities.com</p>
<p>PowerStream Inc. 161 Cityview Blvd. Vaughan, ON L4H 0A9</p> <p>Colin Macdonald, P. Eng. SVP, Regulatory Affairs & Customer Service</p> <p>Tel.: (905) 532-4649 Fax: (905) 532-4404 colin.macdonald@powerstream.ca</p>	<p>Borden Ladner Gervais LLP 40 King Street West Toronto, ON M5H 3Y4</p> <p>James C. Sidlofsky, Partner Counsel to the Proponents</p> <p>Tel.: (416) 367-6277 Fax: (416) 361-2751 jsidlofsky@blg.com</p>

We thank you for your consideration in this matter. Please do not hesitate to contact me should you have any questions about the enclosed Notice.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:

Original signed by James C. Sidlofsky

James C. Sidlofsky

Encls.

- cc: G. DeJulio, Enersource
I. Butany-DeSouza, Horizon Utilities
C. Macdonald, PowerStream
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